

ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL

Minutes—June 29, 2009

Conference Room B, DOA

Chairman Ryan called the meeting to order at 3:45 PM

Members Present: Joe Cirillo, Vin Allienello, Joe Newsome, Andrew Dzykewicz, Paul Ryan, Sam Krasnow, Dan Justynski, and Tim Stout

Others Present: Karina Lutz, David Brown, John Farley, and Tom Teehan

Staff: Matt Guglielmetti

Consultants: Scudder Parker and Mike Guerard.

ARRA Update

The OER filed its EECBG application with the USDOE on time on 6/25. OER & the ERT are now responded to three questions posed by USDOE pertaining to the SEP grant. USDOE wants a more detailed breakdown of how the EE funds will be spent between; Residential, Large C&I, Small C&I, Public Buildings and Transportation. They also want a breakdown on the renewable end between utility and small scale projects. OER is still waiting for guidance on the Energy Star Rebate Program. There is money for PUCs to learn about ARRA, and Elia G. is aware of it.

System Reliability

Jereemy Newberger and Tim Roughan called in to give an update on NGrid's System Reliability Plans.

Joe N. asked about how the Energy Starr Program is being marketed to the public. People have to know about it. He does not think the electric bill is the right place to inform the public about this program. Paul R. wanted to know who does the Energy audits, RISE or NGrid? Jeremy N. said you can call RISE.

Joe N. asked why no data on low income residential EE for the first quarter was available to the DSM collaborative. How many houses have been reached. The EERMC needs this data to monitor the success of EE programs. Matt. G. replied that a new system was being developed for billing to get the data in. Jeremy N. said that the data will be available at next DSM meeting. Billing has not caught up, especially on the residential side. Invoices may be submitted but not processed. Dan J. asked about the lag. Jeremy said that data on C&I is pretty instantaneous but there is a lag on residential.

Tim R. said the funding for the SR Plan was not intact. He talked about a PUC technical committee meeting two weeks ago to modify the Aquidneck Island Pilot and expand it to include more EE to reduce the summer peak load. NGrid will use Smart Grid ARRA funding to match all other State funding. They will try to expand the Aquidneck Island (AI) pilot to other communities to the north. Grid has put on hold the AI pilot until they get a better understanding from the PUC. Things are tenuous though because there is no specific funding in place.

Paul R. & Scudder P. wanted to know where the match will come from for the other 50% USDOE is not supplying. Is it Utility funds? Tim R. said yes.

Dan J. asked about the ROI for smart grid. What is the business justification for ratepayers picking up the bill. Tim R. responded by saying that the reduction in use during peak load time will have a long term effect of reducing electric bills. Andy D. questioned the effect of a small pilot on the overall rate structure. Tim R. said that customer behavior needs to be changed to bring about major changes. Smart Grid uses consumer use load reduction as additional capacity.

Andy D. said the population in the pilot is too small to have the desired effect of load reduction through the system. Dan J. mentioned C&I being penalized for the one moment of the month where its load is high. Tim R. said that was a function of rate design in RI. Tec RI & NGrid have been in discussions to change this. Tim R. kind of goes on here and Sam K. has a process suggestion. Have Tim R. keep his answers short.

Dan J. wants it on record that Smart Grid has to be explained to the public. Looks like big brother. You can't tell people how to use power.

Scudder P. suggested a structured discussion of Smart Grid should be held by the council. How do you define it and how would it work. Find out what exactly it is. Dan J. expressed regret about the AI Project stalling out. Tim R. said it has stalled because there is no specific funding for it.

Sam K. feels the SR Plan is good. EERMC should craft a proposal to PUC. Say to them there is enough money to do program work on EE plus with RGGI funding there is enough to cover the SR Plan as well.

Sam K. said there were three categories; targeted EE for AI, the SR Plan, and Smart Grid. He suggested having a conversation on the first two. EE is good shape but the SR is the most interesting. The plan has been approved but no funding has been allocated. What steps can EERMC take to move the SR Plan along.

Andy D. expressed concern with PUC making EE & SR contingent on things like RGGI & ARRA funding. If it is the right thing to do, do it.

Then a discussion about RGGI funding ensued. What is going to be the value of RGGI in 2012. It is hard to predict RGGI's future, especially with the recently passed Waxman bill.

Sam K. feels the \$6M in RGGI is enough to fund EE and SR.

John F. said it would be a mistake to push for an increase in the DSM funding in the next 6 months to pay for SR when the fund could have a surplus at the end of the year. Do we have permission from PUC that given these new funding sources, ARRA & RGGI, that SR & EE goals can be met.

Sam K. said there were three sources of projected revenue; the 3.2 mill DSM, RGGI, and the FCM. Then you have the projected cost of EE & SR. Projected revenue would be higher than cost. The EERMC should move ahead because we have a plan and the necessary money.

Jeremy N. felt that RGGI money can't be used for SR. Andy D. said that was not the intent of RGGI. It was to reduce the SBC.

Andy D. said the OER's intention with RGGI was to make the 3.2 SBC lower. Use RGGI funds to give back to ratepayer what they are paying for RGGI.

Paul asked about next EERMC steps. A filing from the council to PUC requested resolution to SR funding that the PUC has left hanging was suggested.

Sam K. wanted to get it on the agenda for next month's meeting. Paul R. felt NGrid should do the filing supported by the Council. Sam will work with PUC, Grid and Tec RI to craft this proposal.

Paul R. proposed doing two things; first, ask Grid to give an outline of a proposal for next meeting, and for Sam K. to work with Grid to finalize the proposal. In order to go according to statute, Paul R. wants Grid to finalize the proposal, then it goes to the Council for a vote of support. This vote is then attached to the proposal that is submitted to the PUC. **A motion was introduced by Paul to do this, it was seconded and passed unanimously.**

Scudder wanted to make sure the SR piece is separate from Smart Grid.

Sam K. proposed a motion that the council and consultants work together with National Grid to develop innovative financing approaches that would be suitable for the 40% of the RGGI funds. Dan J. seconded it and it was approved.

VEIC Follow Up

This is a follow up to last month's presentation on supply side barriers to ARRA implementation. VEIC worked with Kevin Doyle to refine Mass. EE modeling data to

RI. What would specific numbers when applied to RI would look like. This model will be key to determine workforce deployment.

The WAP & low income work is similar from state to state. In a month VEIC should have that model. VEIC spoke with Donna Murray at DLT. A RFP has been issued by DLT on green work force issues.

Andy D. mentioned the Insulator Trade Conference that was recently held in Providence. where he asked industry people about getting ARRA EE work done. To a man they said there would have no problem ramping up.

Andy D. feels that the DLT are the people to get this job training done. He also mentioned ARRA funding for job retraining.

Scudder mentioned Ralph Poor who is part of VEIC team who is talking to Grid about verification issues. Evaluation is a tool to be used to improve programs. There has not been a fair assessment of evaluation results to this point. VEIC hopes to have a report prepared for the Council based on Ralph's conversations with NGrid. Sam K. thought this is a good idea and it may make sense for Ralph to present finding to EERMC in about 2 months.

A discussion ensued about smart grid and regional cooperation. There is no consistent definition of what it means. It was brought up that RI is not always taken seriously by other NE states. Coordination is needed to make Smart Grid work. VEIC is having an intern doing a paper on the smart grid and what it is. He can make that available to council members. At its most basic level all a smart grid is a grid that has the ability to communicate. The timing is right for some sort of intra-state coordination.

EERMC Budget

Paul R. and Sam K. will work together on budget in the next few weeks and present results at the next meeting.

Public Comment

A need was mentioned for a residential EERMC member to replace Al Degan. Andy D. said that appointments have been slow. Paul used the example of how hard it was for the CCRMC to appoint four new members to emphasis this point.

Joe C. asked what qualifications the EERMC was looking for in the new member. He or she just needs to be an advocate for the residential sector. Some one who pays a residential bill. Paul R. said get a name and see if it will fly. Maybe they could be confirmed if the House goes back into session in September.

Sam K. brought up the issue of de-coupling on the electric side. There is an intervention deadline on July 16th. It would make sense for the Council to intervene but they need to be educated about the issue at the next council meeting. **A motion was made by Paul R. to authorize our attorney to intervene in the decoupling electric docket. It was seconded and passed unanimously.**

The May and June minutes were not available so they could not be voted on.

Sam K. brought up the problem of having the next meeting so soon. He thought it made sense to move it later in the month. Dates were discussed. Sam K. suggested 7/20 and it was agreed to hold meeting at 3:30 that day.

The agenda for 7/20 was discussed. It was agreed to do the budget, de-coupling and the SR proposal that will be going in front of the PUC. Joe N. wanted five minutes to discuss DSM Collaborative.

The meeting was adjourned at 5:30 PM